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MONTANA STATE LOTTERY

REPORT ON
MONTANA CASH DRAWINGS

JUNE 30, 2002

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MONTANA STATE LOTTERY

REPORT ON
MONTANA CASH DRAWINGS

JUNE 30, 2002

Henry Fenton
Certified Public Accountant

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LEGISLATIVE AUDIT DIVISION

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John W. Northey, Legal Counsel

Deputy Legislative Auditors:
Jim Pellegrini, Performance Audit
Tori Hunthausen, IS Audit & Operations
James Gillett, Financial-Compliance Audit

October 3, 2002

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of the Montana State Lottery Observations for the year ended June 30, 2002.

The audit was conducted by Henry Fenton, CPA, under a contract between the firm and our office. There are no recommendations in this report.

Respectfully submitted,

Scott A. Seacat
Legislative Auditor

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MONTANA STATE LOTTERY
COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS
June 30, 2002

COMMISSION MEMBERS	RESIDENCE
Robert Crippen, Chairperson	Butte
Betty Wilkins	Missoula
Bob Lake	Hamilton
Cliff Brophy	Columbus
Thomas M. Keegan	Helena

ADMINISTRATIVE OFFICIALS

Gerald J. LaChere, Director

L. John Onstad, Director of Security

MONTANA STATE LOTTERY

INTRODUCTION

I performed the following agreed-upon procedures for the Montana State Lottery for the year ended June 30, 2002:

1) witnessing and reporting on all Montana Cash drawings;

2) examining all lottery drawing equipment prior to and after each drawing; and

3) testing compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November, 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are contained in Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose of the law is to allow lottery games in which the players purchase from the State, through the administration of the state lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the independent accountant's report on agreed-upon procedures, I am to report on serious inadequacies in operating controls and procedures, activities not authorized by the legislature, and my recommendations to the State and the Lottery. I have nothing to report in those areas.

HENRY FENTON
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 30, 2002

To the Commissioners
Montana State Lottery
Helena, Montana

I have performed the procedures enumerated below, which were agreed to by the Montana State Lottery and the Montana Legislative Audit Division with respect to the Montana Cash drawings of the Montana Lottery for the year ended June 30, 2002. The Montana State Lottery is responsible for the Montana Cash drawing. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

All drawings are conducted in accordance with applicable rules and regulations.

All drawings are conducted in a secure, honest and fair manner.

The procedures I performed and my findings are summarized as follows:

1. I read the "Montana Cash Drawing Procedures". In performing this and other steps of my procedures, I gave consideration to the adequacy of controls over the drawing process.

2. I observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker, and ball sets were unbroken and that the seals were numbered the same as the seals placed there when I was last present.

3. I observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.

4. I observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.

5. I observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.

6. I observed the performance of the post-drawing tests, recorded the results and determined that the applicable procedures were followed.

7. I observed the resealing of the ball sets, ball locker and machine cabinet door.

I have furnished the Legislative Audit Division with a summary letter after each drawing stating that the Montana Cash drawings were performed and observed by me. The letters would include any unusual occurrences or deviations from the established rules and procedures.

No exceptions were found as a result of applying the above procedures.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Montana Cash drawing procedures for the year ended June 30, 2002. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Montana Lottery and the Montana Legislative Audit Division and is not intended to be and should not be used by anyone other than these specified parties.

Henry Fenton

Henry Fenton
Certified Public Accountant

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS
Year Ended June 30, 2002

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

DATE	WINNING NUMBERS				
July 4, 2001	14	1	22	17	33
July 7, 2001	5	21	20	27	22
July 11, 2001	26	30	14	11	35
July 14, 2001	14	16	33	2	20
July 18, 2001	5	26	27	8	14
July 21, 2001	18	14	9	27	26
July 25, 2001	24	22	16	10	25
July 28, 2001	32	9	13	12	35
August 1, 2001	19	8	2	34	33
August 4, 2001	2	22	24	16	29
August 8, 2001	30	20	11	17	25
August 11, 2001	25	30	37	10	13
August 15, 2001	27	14	18	5	8
August 18, 2001	36	12	33	24	18
August 22, 2001	14	10	37	19	8
August 25, 2001	30	14	21	26	20
August 29, 2001	35	12	36	32	30
September 1, 2001	36	23	32	26	11
September 5, 2001	4	13	26	16	32
September 8, 2001	3	24	12	32	37
September 12, 2001	15	17	19	3	14
September 15, 2001	27	23	26	29	15
September 19, 2001	33	12	6	13	24
September 22, 2001	17	29	14	7	20
September 26, 2001	3	2	1	24	14
September 29, 2001	19	33	25	26	36
October 3, 2001	33	37	29	27	7
October 6, 2001	3	29	6	32	13
October 10, 2001	35	4	12	15	8
October 13, 2001	31	15	13	16	7
October 17, 2001	32	13	15	9	36
October 20, 2001	28	13	11	34	4
October 24, 2001	37	35	19	18	12
October 27, 2001	23	4	10	6	34
October 31, 2001	37	17	16	34	18
November 3, 2001	34	21	9	23	8
November 7, 2001	31	19	29	28	24

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 2002

November 10, 2001	13	14	32	4	5
November 14, 2001	29	36	2	1	23
November 17, 2001	2	9	30	10	20
November 21, 2001	35	22	20	5	29
November 24, 2001	11	1	27	18	9
November 28, 2001	31	7	23	18	5
December 1, 2001	35	30	27	31	37
December 5, 2001	37	20	1	16	27
December 8, 2001	2	6	20	4	13
December 12, 2001	25	37	3	20	15
December 15, 2001	32	28	18	3	24
December 19, 2001	30	14	27	1	2
December 22, 2001	30	27	16	4	14
December 26, 2001	8	19	15	28	27
December 29, 2001	32	5	36	14	25
January 2, 2002	30	8	13	6	15
January 5, 2002	24	27	35	3	20
January 9, 2002	23	31	30	1	10
January 12, 2002	16	31	2	15	37
January 16, 2002	3	10	4	13	14
January 19, 2002	23	7	31	35	4
January 23, 2002	35	31	4	23	6
January 26, 2002	37	6	24	7	11
January 30, 2002	8	37	18	6	33
February 2, 2002	28	4	18	2	25
February 6, 2002	8	30	15	3	11
February 9, 2002	36	18	8	14	35
February 13, 2002	9	32	10	8	2
February 16, 2002	8	4	7	27	33
February 20, 2002	7	14	16	21	31
February 23, 2002	17	25	21	24	34
February 27, 2002	24	32	4	9	28
March 2, 2002	20	28	19	1	6
March 6, 2002	28	17	1	36	26
March 9, 2002	13	29	19	7	6
March 13, 2002	33	17	14	4	31
March 16, 2002	12	37	21	25	30
March 20, 2002	15	36	35	6	10
March 23, 2002	31	30	37	26	13
March 27, 2002	5	10	1	29	17
March 30, 2002	3	22	6	36	16
April 3, 2002	29	30	6	26	13
April 6, 2002	27	14	1	5	9
April 10, 2002	22	11	13	27	15

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 2002

April 13, 2002	5	12	34	27	1
April 17, 2002	17	37	2	13	10
April 20, 2002	37	18	6	3	36
April 24, 2002	24	32	29	4	12
April 27, 2002	29	1	6	2	26
May 1, 2002	3	29	13	6	4
May 4, 2002	7	8	19	13	16
May 8, 2002	26	21	7	33	20
May 11, 2002	35	31	21	34	19
May 15, 2002	21	4	31	15	20
May 18, 2002	5	31	23	11	1
May 22, 2002	13	12	30	35	10
May 25, 2002	30	8	24	16	21
May 29, 2002	3	25	4	12	30
June 1, 2002	4	19	14	21	26
June 5, 2002	25	10	11	17	5
June 8, 2002	28	19	17	6	12
June 12, 2002	10	26	31	24	9
June 15, 2002	35	25	36	7	17
June 19, 2002	33	5	30	24	11
June 22, 2002	25	31	27	18	2
June 26, 2002	28	13	19	5	29
June 29, 2002	27	7	11	23	2